

QUARTERLY REPORT

TRADING NAME OF LICENSEE: Bally's Park Place, Inc. (Bally's Atlantic City)

For The Quarter Ended March 31, 2004

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

BALANCE SHEETS

AS OF MARCH 31, 2004 AND 2003

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2004 (c)	2003 (d)
	ASSETS		
	Current Assets:		
1	Cash and cash equivalents.	\$ 30,716	\$ 40,298
2	Short-term investments.	-	-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 2004, \$ 4,510 ; 2003, \$ 5,795). NOTE 2.	83,654	35,854
4	Inventories.	2,588	2,943
5	Prepaid expenses and other current assets.	5,190	4,028
6	Total current assets.	122,148	83,123
7	Investments, Advances, and Receivables. NOTES 1 and 3.	136,613	126,976
8	Property and Equipment - Gross. NOTES 1 and 4.	1,269,156	1,242,002
9	Less: Accumulated Depreciation/Amortization. NOTES 1 and 4.	(611,173)	(576,718)
10	Property and Equipment - Net.	657,983	665,284
11	Other Assets. NOTE 5.	17,802	17,810
12	Total Assets.	\$ 934,546	\$ 893,193
	LIABILITIES AND EQUITY		
	Current Liabilities:		
13	Accounts payable.	\$ 3,573	\$ 6,772
14	Notes payable.	-	-
	Current portion of long-term debt.		
15	Due to affiliates.	-	-
16	Other.	64	58
17	Income taxes payable and accrued.	-	-
18	Other accrued expenses. NOTE 6.	42,410	45,251
19	Other current liabilities. NOTE 7.	13,899	8,084
20	Total current liabilities.	59,946	60,165
	Long-Term Debt:		
21	Due to affiliates. NOTE 8.	583,500	583,500
22	Other. NOTE 8.	1,412	1,609
23	Deferred Credits.	-	-
24	Other Liabilities. NOTE 9.	1,623	2,380
25	Commitments And Contingencies. NOTE 1.	-	-
26	Total Liabilities.	646,481	647,654
27	Stockholders', Partners', Or Proprietor's Equity.	288,065	245,539
28	Total Liabilities And Equity.	\$ 934,546	\$ 893,193

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: BALLY'S PARK PLACE, INC. (Bally's Atlantic City)

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2004 AND 2003

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (A)	DESCRIPTION (b)	2004 (c)	2003 (d)
	REVENUE:		
1	Casino	\$ 157,545	157,615
2	Rooms	10,931	10,280
3	Food and Beverage	21,669	21,961
4	Other	4,962	3,629
5	Total Revenue	195,107	193,485
6	Less: Promotional allowances	40,612	37,066
7	Net Revenue	154,495	156,419
	COSTS AND EXPENSES:		
8	Costs of Goods and Services	97,870	99,287
9	Selling, General, and Administrative	19,037	19,237
10	Provision for Doubtful Accounts	354	422
11	Total costs and expenses	117,261	118,946
12	Gross Operating Profit	37,234	37,473
13	Depreciation and amortization	11,317	10,244
	Charges from affiliates other than interest:		
14	Management fees NOTE 10..	5,182	5,174
15	Other	---	---
16	Income (Loss) from Operations	20,735	22,055
	Other Income (Expenses):		
17	Interest (expense) - affiliates NOTE 8..	(12,399)	(12,210)
18	Interest (expense) - external	(58)	(73)
19	Investment alternative tax and related income (expense) - net	1,711	(1,240)
20	Non-operating income (expense) - net NOTE 11..	(73)	826
21	Total other income (expenses)	(10,819)	(12,697)
22	Income (Loss) Before Income Taxes and Extraordinary Items	9,916	9,358
23	Provision (credit) for income taxes	5,102	3,699
24	Income (Loss) Before Extraordinary Items	4,814	5,659
25	Extraordinary items (net of income taxes)	---	---
26	Net Income (Loss)	\$ 4,814	\$ 5,659

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2003 AND THE THREE MONTHS ENDED MARCH 31, 2004

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Common Stock		Preferred Stock		Additional Paid - In Capital (g)	----- ----- ----- (h)	Retained Earnings (Accumulated Deficit) (i)	Total Stockholder's Equity (Deficit) (j)
		Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 2002	100	\$ 1			\$ 128,260		\$ 111,619	\$ 239,880
2	Net Income - 2003							43,371	43,371
3	Contribution to Paid - In Capital								
4	Dividends								
5	Prior Period Adjustments								
6	Distribution to PPE								
7									
8									
9									
10	Balance, December 31, 2003	100	1			128,260		154,990	283,251
11	Net Income - 2004							4,814	4,814
12	Contribution to Paid - In Capital								
13	Dividends								
14	Prior Period Adjustments								
15									
16									
17									
18									
19	Balance, March 31, 2004	100	\$ 1			\$ 128,260		\$ 159,804	\$ 288,065

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CASH FLOWS

Page 1 of 2

FOR THE THREE MONTHS ENDED MARCH 31, 2004 AND 2003

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	Description (b)	2004 (c)	2003 (d)
1	Net Cash Provided (Used) By Operating Activities	\$ 2,975	\$ 19,658
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities	---	---
3	Proceeds from the sale of short-term investment securities	---	---
4	Purchase outflows for property and equipment	(7,016)	(7,260)
5	Proceeds from disposition of property and equipment	426	349
6	Purchase of casino reinvestment obligations	(1,902)	(2,026)
7	Purchase of other investments and loans/advances made	(4,063)	---
8	Proceeds from disposal of investments and collection of advances and long-term receivables	8,472	325
9	Cash outflows to acquire business entities	---	---
10	---	---
11	Net book values of disposals	---	---
12	Net Cash Provided (Used) By Investing Activities	(4,083)	(8,612)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt	---	---
14	Payments to settle short-term debt	---	---
15	Cash proceeds from issuance of long-term debt	---	---
16	Costs of issuing debt	---	---
17	Payments to settle long-term debt	(77)	(19)
18	Cash proceeds from issuing stock or capital contributions	---	---
19	Purchases of treasury stock	---	---
20	Payments of dividends or capital withdrawals	---	---
21	Change in payable to/receivable from affiliate	(18,437)	(9,910)
22	---	---
23	Net Cash Provided (Used) By Financing Activities	(18,514)	(9,929)
24	Net Increase (Decrease) In Cash And Cash Equivalents	(19,622)	1,117
25	Cash And Cash Equivalents At Beginning Of Period	50,338	39,181
26	Cash And Cash Equivalents At End Of Period	\$ 30,716	\$ 40,298

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized)	\$ 12,457	\$ 12,283
28	Income taxes	\$ 5,102	3,699

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

Page 2 of 2

FOR THE THREE MONTHS ENDED MARCH 31, 2004 AND 2003

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	Description (b)	2004 (c)	2003 (d)
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	\$ 4,814	\$ 5,659
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	11,317	10,244
31	Amortization of other assets	---	---
32	Amortization of Debt Discount or Premium	---	---
33	Deferred Income taxes - current	---	---
34	Deferred income taxes - noncurrent	---	---
35	(Gain) loss on disposition of property and equipment	(329)	(87)
36	(Gain) loss on casino reinvestment obligations	(1,711)	1,240
37	(Gain) loss from other investment activities	845	(304)
38	Net (increase) decrease in receivables and patrons' checks	(5,921)	3,351
39	Net (increase) decrease in inventories	659	552
40	Net (increase) decrease in other current assets	(566)	278
41	Net (increase) decrease in other assets	1	24
42	Net increase (decrease) in accounts payables	(1,572)	(3,856)
43	Net increase (decrease) in other current liabilities excluding debt	(4,322)	2,644
44	Net increase in other noncurrent liabilities excluding debt	(240)	(87)
45	Loss on extinguishment of debt, net of income tax benefit	---	---
46	Amortization of CRDA assets	---	---
47	Net Cash Provided (Used) By Operating Activities	\$ 2,975	\$ 19,658

SUPPLEMENTAL SCHEDULE OF INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment	\$ 7,016	\$ 7,260
49	Less: Capital lease obligations incurred	---	---
50	Cash Outflows For Property And Equipment	\$ 7,016	\$ 7,260
	Acquisition Of Business Entities:		
51	Property and equipment acquired	\$ 0	\$ ---
52	Goodwill acquired	---	---
53	Net assets acquired other than cash, goodwill, and property and equipment	---	---
54	Long-term debt assumed	---	---
55	Issuance of stock or capital invested	---	---
56	Cash Outflows To Acquire Business Entities	\$ 0	\$ ---
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions	\$ ---	\$ ---
58	Less: Issuances to settle long-term debt	---	---
59	Consideration in acquisition of business entities	---	---
60	Cash Proceeds From Issuing Stock Or Capital Contributions	\$ ---	\$ ---

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

FOR THE THREE MONTHS ENDED MARCH 31, 2004

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	201,773	\$ 7,104		\$
2	Food	741,713	9,199		
3	Beverage	2,328,494	4,657		
4	Travel			15,175	1,061
5	Bus Program Cash	279,556	4,242		
6	Other Cash Complimentaries	767,529	13,618		
7	Entertainment	33,972	170	3,133	392
8	Retail & Non-Cash Gifts	22,763	1,569	90,788	2,412
9	Parking				
10	Other *	1,770	53	108,032	752
11	Total	4,377,570	\$ 40,612	217,128	\$ 4,617

* No item in this category exceeds 5%.

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and basis of presentation

The accompanying financial statements include the accounts of Bally's Park Place, Inc., a New Jersey corporation (the "Company"), a wholly owned subsidiary of Caesars Entertainment, Inc. ("CEI"). In early January 2004, CEI changed its name from Park Place Entertainment to Caesars Entertainment. The Company owns and operates the casino hotel resort in Atlantic City, New Jersey known as "Bally's Atlantic City." The Company operates in one industry segment and all significant revenues arise from its casino and supporting hotel operations. The accompanying financial statements should be read in conjunction with the Casino Control Commission Quarterly Report for the year ended December 31, 2003.

All adjustments to the financial statements have been recorded and are, in the opinion of management, necessary for a fair presentation of the balance sheets of the Company at March 31, 2004 and 2003, and its statements of income for the three months ended March 31, 2004 and 2003 and its statements of cash flows for the three months ended March 31, 2004 and 2003. All such adjustments were of a normal recurring nature.

Seasonal factors

The Company's operations are subject to seasonal factors and, therefore, the results of operations of the three months ended March 31, 2004 and 2003 are not necessarily indicative of the results of operations for the full year.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenue and expenses reported during the period. Actual results could differ from such estimates.

Revenue recognition and promotional allowances

Casino revenues represent the net revenue from gaming wins and losses. The revenues from hotel, food and beverage, and from theater ticket sales are recognized at the time the related services are performed. The Statement of Income reflects operating revenues including the retail value of complimentary services (also known as promotional allowances), which are deducted on a separate line to arrive at net revenues. Promotional allowances are provided to casino patrons without charge.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined using the weighted average cost method.

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

Property and equipment

Property and equipment are stated at cost. Depreciation is provided on the straight-line basis over the estimated economic lives of the related assets. Depreciation expense was \$11,317 and \$10,244 for the three months ended March 31, 2004 and 2003, respectively.

<u>Asset class</u>	<u>Life</u>
Buildings	40 years
Building improvements	3-10 years
Furniture, Fixtures and Equipment	3-10 years

Connection Card Program

During the 2nd quarter of 2003, the Company, along with its CEI Atlantic City affiliates, implemented the Connection Card Program. The Connection Card Program allows players to earn credits that may be accumulated over time and redeemed at their discretion in accordance with the rules of the program at any CEI casino in the United States. The Company records an estimated liability for the incremental cost of providing goods and services under the program at the time the credits are earned.

Fair value of financial instruments

The fair values of the Company's financial instruments including receivables, payables and debt approximate their recorded book values at March 31, 2004 and 2003.

Investments in subsidiaries

The Company has an investment in GNOC, Corp. (which owns and operates the casino hotel resort in Atlantic City known as the "Atlantic City Hilton"). The Company also has investments in two other subsidiaries, Atlantic City Country Club, Inc. and Bally's Land Ventures, Inc. The investments in all subsidiaries are reflected in the accompanying financial statements using the equity method.

Allocations and transactions with related parties

The Company transfers cash in excess of its operating needs to CEI on a daily basis. CEI provides the Company with cash advances for capital expenditures and working capital needs.

Certain executive, administrative and support operations of the Company and other CEI affiliates are consolidated, including limousine services, advertising, sales and marketing services, purchasing and certain other administrative departments. Costs of these operations are allocated to or from the Company either directly or using various formulas based on estimates of utilization of such services. Management believes the methods used to allocate these costs are reasonable.

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

Beginning with the first quarter of 2004, the Company was allocated from CEI certain expenses, such as Information Technology, Internal Audit and Risk Management, which historically were considered corporate expenses. These expenses are allocated to the Company using various formulas based on estimates of utilization of such expenses. Management believes that the methods used to allocate these costs are reasonable.

Accounting Pronouncements

In November 2002, the FASB issued Interpretation No ("FIN") 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of the Indebtedness of Others." FIN No. 45 elaborates on the disclosures to be made by a guarantor about its obligations under certain guarantees issued. It also clarifies that a guarantor is required to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. The initial recognition and measurement provisions of this Interpretation apply to guarantees issued or modified after December 31, 2002. Implementation of this Interpretation did not have a material impact on the Company's financial statements.

In 2003, the FASB issued FIN No. 46, "Consolidation of Variable Interest Entities." FIN No. 46 addresses consolidation of entities that are not controllable through voting interest or in which the equity investors do not bear the residual economic risks and rewards. These entities have commonly been referred to as special purpose entities. The Interpretation provides guidance related to identifying variable interest entities and determining whether such entities should be consolidated. It also provides guidance related to the interest in newly consolidated variable interest entities and requires disclosures for both the primary beneficiary of a variable interest entity and other beneficiaries of the entity. Implementation of this Interpretation did not have a material impact on the Company's financial statements, as the Company does not have any variable interest entities.

Income taxes

Taxable income or loss of the Company is included in the consolidated Federal income tax return of CEI. The Company provides for income taxes by applying the respective state and federal statutory rates to pre-tax financial statement income. The corresponding liability or receivable is credited or charged to its corporate parent. Deferred income taxes and liabilities for temporary differences between the carrying amounts for financial reporting and income tax purposes, if any, are accounted for by CEI in accordance with the tax sharing agreement between CEI and the Company.

Recent tax legislation

The New Jersey State Legislature passed a bill to increase taxes on the New Jersey casino industry, beginning in the State's fiscal year 2004 (starting July 1, 2003). Included in this legislation is a tax on net profits, taxes on certain complimentaries, and increases in parking, rooms and other fees. Profits tax expense is reflected in the provision for income taxes. Other taxes are reflected in selling, general and administrative expenses.

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

Casino Reinvestment Development Authority

The New Jersey Casino Control Act provides, among other things, for an assessment of licensees equal to 1.25% of their gross gaming revenues in lieu of an investment alternative tax equal to 2.5% of gross gaming revenues. The Company has satisfied this investment obligation by (i) investing in qualified eligible direct investments, (ii) making qualified contributions or (iii) depositing funds with the Casino Reinvestment Development Authority (the "CRDA"). Funds deposited with the CRDA may be used to purchase bonds designated by the CRDA or, under certain circumstances, may be donated to the CRDA in exchange for credits against future CRDA investment obligations. CRDA bonds have varying terms of up to fifty years and bear interest at below market rates. The Company records a charge to reflect the estimated realizable value of its CRDA investments.

An affiliate of the Company, Boardwalk Regency Corporation ("Caesars Atlantic City") has started construction of a new parking garage and has entered into an agreement with Pier Developers, Inc. for the renovation of the Ocean One Shopping Mall. The Company and certain of its Atlantic City affiliates entered into an agreement with the CRDA to receive funding towards the construction of these projects. The CRDA funding will come from amounts either currently on deposit or to be deposited with the CRDA pursuant to the Company and its affiliates investment obligations. During the quarter ended March 31, 2004, the Company received \$8,073 of previous fundings from the CRDA under this agreement. Upon receipt of these funds, the Company recognized a reduction of \$2,691 in reserves, to reflect its current estimated realizable value of its CRDA investments.

NOTE 2 – RECEIVABLES AND PATRONS' CHECKS

Receivables and patrons' checks as of March 31 consist of the following:

	<u>2004</u>	<u>2003</u>
Casino receivables (net of allowance for doubtful accounts – \$4,316 in 2004 and \$5,641 in 2003)	\$ 5,559	\$ 5,185
Other (net of allowance for doubtful accounts – \$194 in 2004 and \$154 in 2003)	4,017	3,587
Due from CEI	59,716	21,625
Due from Caesars Atlantic City	11,414	2,834
Due from affiliates	<u>2,948</u>	<u>2,623</u>
	<u>\$ 83,654</u>	<u>\$ 35,854</u>

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 3 - INVESTMENTS, ADVANCES AND RECEIVABLES

Investments, advances and receivables as of March 31 consist of the following:

	<u>2004</u>	<u>2003</u>
Investment in wholly owned subsidiaries (see Note 1):		
Atlantic City Country Club, Inc.	\$ 14,564	\$ 15,494
Bally's Land Ventures Realty, Inc.	15,097	14,342
GNOC, Corp.	<u>69,593</u>	<u>61,659</u>
Total investment in subsidiaries	99,254	91,495
Casino Reinvestment Development Authority		
Investment obligations (less valuation reserves		
of \$16,107 in 2004 and \$16,954 in 2003)	32,004	33,554
Jacobs Family Terrace mortgage receivable		
(less reserve of \$250 in 2004 and 2003)	1,150	1,320
Long-term deposits	4,136	57
Long-term receivable from GNOC, Corp.	<u>69</u>	<u>550</u>
	<u>\$ 136,613</u>	<u>\$ 126,976</u>

The Company, GNOC, Corp. and the CRDA entered into a credit exchange agreement and an investment agreement in 1998. The credit exchange agreement permits the exchange of certain current and future CRDA obligations between the Company and GNOC, Corp. resulting in the long-term receivable from GNOC, Corp. The investment agreement provides an investment plan for use of certain current and future CRDA funds.

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment as of March 31 consist of the following:

	<u>2004</u>	<u>2003</u>
Land	\$ 112,378	\$ 112,378
Buildings and improvements	857,060	843,889
Furniture, fixtures and equipment	298,390	274,311
Construction in progress	<u>1,328</u>	<u>11,424</u>
	1,269,156	1,242,002
Less accumulated depreciation and amortization	<u>(611,173)</u>	<u>(576,718)</u>
	<u>\$ 657,983</u>	<u>\$ 665,284</u>

NOTE 5 - OTHER ASSETS

Other assets as of March 31 consist of the following:

	<u>2004</u>	<u>2003</u>
Cost in excess of acquired assets, less accumulated amortization of \$260	\$ 17,581	\$ 17,581
Other	<u>221</u>	<u>229</u>
	<u>\$ 17,802</u>	<u>\$ 17,810</u>

NOTE 6 - OTHER ACCRUED EXPENSES

Other accrued expenses as of March 31 consist of the following:

	<u>2004</u>	<u>2003</u>
Accrued payroll and benefits	\$ 25,499	\$ 26,944
Insurance claims	5,912	7,318
Other	<u>10,999</u>	<u>10,989</u>
	<u>\$ 42,410</u>	<u>\$ 45,251</u>

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 7 - OTHER CURRENT LIABILITIES

Other current liabilities as of March 31 consist of the following:

	<u>2004</u>	<u>2003</u>
Chip and token liability	\$ 2,236	\$ 4,559
Connection Card liability	4,106	-
Due to affiliates	5,384	1,281
Other	<u>2,173</u>	<u>2,244</u>
	<u>\$ 13,899</u>	<u>\$ 8,084</u>

NOTE 8 - LONG-TERM DEBT-DUE TO AFFILIATES AND OTHER

Long-term debt-due to affiliates and other as of March 31 consist of the following:

	<u>2004</u>	<u>2003</u>
Long-term debt due to affiliates:		
8.5% Note payable to Caesars Entertainment Finance Corporation ("CEFC") due May 31, 2011	\$ 33,500	\$ 33,500
8.5% Note payable to CEFC due May 31, 2011	50,000	50,000
8.5% Note payable to CEFC due January 1, 2009	<u>500,000</u>	<u>500,000</u>
	<u>\$583,500</u>	<u>\$ 583,500</u>
Long-term debt-other:		
Other secured and unsecured debt	<u>\$ 1,412</u>	<u>\$ 1,609</u>

In January 1999, the Company executed a \$500,000 note payable to CEI with interest at a rate of 8.5% per annum, payable on the last business day of each quarter. On July 1, 2000, CEI assigned the \$500,000 note to Park Place Finance Corporation. On March 9, 2004, Park Place Finance Corporation changed its name to Caesars Entertainment Finance Corporation. On June 1, 2001 the Company executed two notes payable in the amounts of \$33,500 and a \$50,000 to CEFC each with interest at a rate of 8.5% per annum, payable on the last business day of each quarter.

NOTE 9 - OTHER LIABILITIES

Other liabilities as of March 31 consist of the following:

	<u>2004</u>	<u>2003</u>
Retirement and other employee benefit plans	\$ 1,220	\$ 1,295
Other	<u>403</u>	<u>1,085</u>
	<u>\$ 1,623</u>	<u>\$ 2,380</u>

BALLY'S PARK PLACE, INC. (Bally's Atlantic City)
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(All dollar amounts in thousands)

NOTE 10 – CHARGES FROM AFFILIATES-MANAGEMENT FEE

The Company and CEI have entered into an administrative services and management agreement. Under the agreement, CEI provides certain services to the Company in the conduct of its business including, but not limited to operations, marketing, banking, accounting, insurance, tax, regulatory and public company reporting, human resource and benefit administration and other administrative functions. In consideration for these services, the Company pays CEI a monthly management fee equal to three percent of revenues, as defined.

NOTE 11 - NONOPERATING INCOME (EXPENSE) - NET

Nonoperating income (expense) for the three months ended March 31 consists of the following:

	<u>2004</u>	<u>2003</u>
Interest income	\$ 217	\$ 209
Gain (loss) on sale of assets	329	87
Equity in income of unconsolidated subsidiaries	(845)	304
Other	<u>226</u>	<u>226</u>
	<u>\$ (73)</u>	<u>\$ 826</u>

STATEMENT OF CONFORMITY, ACCURACY AND COMPLIANCE

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.


Signature

Controller
Title

#7091-11
License Number

On Behalf Of:
Bally's Park Place, Inc. NJ
Casino Licensee